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# 1NC Econ Shell

A. UQ: China’s economy is stable now but upcoming reforms threaten collapse- maintain production key. Weil[[1]](#footnote-1) 12/18

**Bubbles are surfacing in China's economy**, **as the government seeks to** free up the country's financial system, **shift**ing it **to a model** more **like that of the U**nited **S**tates, **says former Fed**eral Reserve **chairman Alan Greenspan**. There is "no doubt" bubbles are showing up in China, Greenspan said Monday in video comments for a conference in the country, Taiwanese news service [**Want China Times**](http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20131217000092&cid=1102&MainCatID=11) reports.

**Editor’s Note:** [**Retirees Slammed with 85% Pay Cut (New Video)**](http://w3.newsmax.com/newsletters/hif/video_retirement-heist.cfm?promo_code=F847-1) Economic development naturally leads to bubbles, and government policies play a role, Greenspan says. **Bubbles sparked by government policy can bring about economic collapse**, he adds. Sustaining a stable banking system and a reasonable debt-to-capital ratio is important, Greenspan says. He says **China must tread slowly when it comes to** financial **innovations**, particularly in introducing derivatives. China's banking system is turning more complex as it grows, Greenspan says. And as the system comes to more closely resemble the U.S. model, China' system will suffer some of the same problems experienced in the United States, he says. Meanwhile, China is approaching "the level of income at which many other rapidly growing

developing countries experienced precipitous growth slowdowns, the so-called middle-income trap," Yukon Huang, senior associate at the Carnegie Endowment for International Peace, writes in [**The Atlantic**](http://www.theatlantic.com/international/archive/2013/12/5-expert-predictions-for-the-global-economy-in-2014/282393/). "**Going forward, if China hopes to** evade this 'trap' and **maintain growth of 7 percent** for the rest of the decade, **it will have to** address its growing debt problem and **significantly increase**

**productivity."**

B. Links

1. Natural resources key to Chinese economy. Camus et al[[2]](#footnote-2) ‘13

**In 2011, China became the second largest importer of resources** in the world ($1.74 trillion) behind the United States ($2.31 trillion).1 **The country’s rapid industrialization requires a large import of commodities because domestic supply cannot satisfy demand**. While **China’s** rapid growth has generated high levels of export expansion and technological development, this **boom in production** and exports **has** also **accompanied** **a** **shift away from raw-material production**.2 **This structural constraint** now **forces China to rely on resource-rich countries** around the world **to sustain its economic growth**. The country’s immense need for natural resources, energy-related resources, and agricultural food products forms the cornerstone of its resource acquisition strategy.

2. Reverse causal- Foreign investment and imports are the driving force. Yao[[3]](#footnote-3) et al ‘13

There has a lot of literatures about trade, FDI which can promote economic growth, but most research focus on the one single internationalization pattern effects on economic growth. It is much less literature about the level of economic development and industrial development cycle which combined to study the internationalization patterns promoting economic growth. The research on relationship between exports and economic growth: Feder (1982) thought that the efficient management of the export sector will generate spillover effects on the non-export sector, thereby stimulating economic growth; Balassa (1978) using OLS regression analysis to regress the export data of 12 developing countries from 1961–1974 with GDP data, considering the contribution of labor force growth and FDI, analysis the relationship between the average GDP growth rate and the actual export growth, the studies show that export promote the country’s economic growth. Kwan Kwok (1995), John Thornton (1996), Shan Sun (1998) use empirical anaylsis methods, through co-integration analysis method and Granger causality test, indicate that exports can promote economic growth. Lin Yifu, Li Yongjun (2003) improved the traditional measure of foreign trade contribution to economic growth, emphasize the effects of two parts of consumption and investment in national income identity, the use of demand-oriented analysis showed that since the 20th century 1990’s, for each export growth of 10%, 1% GDP growth would be promoted; Shi Chanyu, Wang Yafei, Wang Ke (2003), XuHelian Lai Mingyong (2002), Fan Bainai, Mao Xiaotai, Wang Shuang (2005) use Granger causality test analyze the relationship between export trade and economic growth. In the import aspect: Lee (1995), Coe (1997) demonstrated that imports play an active role in promoting economic growth; Liu Xiaopeng (2001) used GDP and trade data analyzing with cointegration, revealed that the growth of import is more significant in promoting the economic growth and as **the driving force** for economic growth; Fan Bainai, Wang Yibing (2004) empirically analysis the China’s import trade and economic growth which mutually exist causal relationship. The results show that economic growth can strongly promote the import trade, while import trade can also promote the economic growth. As for research about FDI, Kueh (1992) discussed the impact of FDI on domestic investment, industrial output and export in China’s coastal areas. He found that FDI contributed much to the formation of total capital; Chinese scholar Jiang (2004) found that FDI influences Chinese economic growth through effect of capital and spillover, which plays an vital role in boosting Chinese economic growth; Cao Wei (2005) proposed that FDI, by affecting Chinese foreign trade, stimulates Chinese economic growth. However, it didn’t obviously promote human capital and has a Crowding-Out Effect; Cheng Huifang (2002) proposed that the influence of growth of FDI inflows on economic growth in high-income countries is more obvious, compared to middle-income developing countries. Wang Zhiping, Zinai (2004) consider the quasi FDI spillovers’ endogenous growth model, which shows that one country’s long-term growth depends on the proportion of FDI and domestic capital. DeMello (1999) found out that whether the host country is a leader or a follower in technical position, FDI has a positive impact on output growth. There is literature on combination research of trade and FDI. Lee (2006) analyzed IFDI, OFDI, intermediate product import and spillover of international technology through non-physical channel. Wang and Zhang (2005) conducted an empirical analysis of relationship between trade of Yunnan and FDI and economic growth, which showed that there is no long-term equilibrium relationship between Yunnan’s exports, imports and GDP in China. Yao and Wei (2007), using Petroni’s panel unit root test and Arellano and Bond’s dynamic panel data estimation techniques, found that export trade and foreign investment have a significant positive effect on economic growth. Mao and Yao (2009), using panel data model, analyzed the influence of foreign trade and FDI on economic growth in the eastern region. Research showed that foreign trade promotes the eastern region's economic growth significantly. Although FDI plays a negative impact on economic growth of the eastern region, the effect intensity is very small. At the aspect of the empirical research of the economy level and foreign trade and investment promotion, XuHelian and Luan Yongyu (2005) divided the economic system into non-export sector, primary products exports sector and manufactured goods export sector, which build a three-sector model of export trade. The model is divided into two periods of Eighth five-year plan and Ninth five-year plan. They collected the section data from each region to conduct the empirical analysis to examine the technology spillover effect change of export trade to domestic non-export sector. Yao Limin, etc. (2011) comparatively studied the promotion pattern of economic growth of the eastern, central and western areas of China by using two dimensions of internationalization and factors promotion, which revealed the combination differences and evolution of imports, FDI, export-driven and lower elements and innovation-driven of the three regions of China. But for the stage of economic development and export, FDI and promote economic growth, how the effects of contact there is no clear proof. Song Yongji (2012) using Dunning investment cycle theory, conducted the empirical research about the relationship between foreign direct investment of China and the level of economic development. The results show that China’s foreign direct investment is basically similar with the first four phases of Dunning investment cycle theory. This paper is different from the existing literature, using the methods of comparative analysis, analysis the strength and change trend of three kinds of internationalization drivers which are export, import and FDI to economic growth effect, from a dynamic perspective scanning differences in levels of economic development. The purpose of this paper is providing ideas for policy adjustments and more effectively promote regional economic growth.

C. Internal Links

Collapse goes global. Shenkar[[4]](#footnote-4) ‘04

A Doomsday scenario is more likely to be triggered by internal Chinese problems that will then spill into the outside worlds. China faces a number of serious risks: Its financial system is close to insolvency and if the government were to lose its ability to prop it up, it could implode. A decline in the growth rate could send an already high unemployment rate into the stratosphere at a time when the social safety net is still nascent. Inequality between the coast and the hinterland and between the rich and the poor is growing by the say, which increase resentment and further erodes the fragile legitimacy of the communist regime. In this environment a trigger from a steep and sudden revaluation could ignite social unrest and set off a violent reaction. A fall in domestic demand will then cause China to dump its enormous capacity in world markets and, given global overcapacity in many industries, the impact will be devastating. Foreign competitors will be pushed to sell at a loss, governments will set emergency tariffs, and exports will chase fewer and fewer open markets. The end result will be global depression on a scale not seen since the 1930’s.

Continued Chinese economic strength is key to global economic strength. Lin[[5]](#footnote-5) ‘11

Whether we are on the verge of an "Asian Century" or not, one thing is clear: there has already been a dramatic shift in the geographic centre of the global economy. China is now front and centre, and its role as a leading dragon can be beneficial for growth prospects for the world economy. The world desperately needs engines of growth right now, and fortunately - with continued strong and pragmatic economic policy making - China can provide that impetus. China is now the world's second biggest economy and the largest exporter of goods, with 9.6% of the global share, followed by Germany, the United States and Japan. China has an income per capita of $4,400 in current dollars and is well established as a high-middle income country. China's foreign reserves, which now exceed $3 trillion, are the largest in the world. Behind this rise, there has been a dramatic structural transformation entailing rapid industrialisation, a massive movement out of agriculture, and an impressive stretch of trade-related growth. Continue reading the main story “Start Quote Contagion from the Euro area... sagging demand in high-income countries... a double-dip recession in advanced countries cannot be ruled out as a downside risk” The 'advantage of backwardness' China has the potential to grow dynamically for another 20 years. This is in part because, as of 2008, the country still had a capita income that was just 21% of US per capita income - measured in purchasing power parity terms. This US-China income gap is evidence that a big technological gap still exists between China and the industrialised countries. China can continue to enjoy the advantage of backwardness before closing the gap. By 2030, China's income per head (measured in purchasing power parity) may reach about 50% of that in the United States. By then, China's economic size (in purchasing power parity terms) may be twice as large as the US; and measured at market exchange rates, China may be at least the same size as the US two decades from now. The challenges Chinese dragon in Tianamen Square China's economy is set to become a "lead dragon", says Justin Lin Yet China and other emerging markets must confront several serious challenges in the coming years. First, contagion from the Euro area and sagging demand in high-income countries could dampen hopes for moderate world growth over the next few years. Indeed, a double-dip recession in advanced countries cannot be ruled out as a downside risk. Nationally, China must tackle what amounts to a triple imbalance. Engineering a shift towards domestic demand and moving from an over-reliance on export-led growth represents the first rebalancing. The process should be balanced between consumption and continued strong growth in investment. The latter is critical for industrial upgrading, raising incomes, as well as developing "green economy" sectors and protecting the environment. The second rebalancing entails a structural transformation to reduce income disparities. In spite of the general improvement of living standards, China has shifted from a relatively egalitarian society in 1979 to a country with alarming income inequality. The Gini index [a common measure of social inequality] reached 41.5 in 2005, approaching the level of Latin American countries. The widening of disparity may threaten social stability and hinder economic growth. The third imbalance relates to environmental costs that have accompanied rapid growth. China needs to shift its stance vis-a-vis short-term growth and long-term environmental sustainability. The future structure of production must shift towards cleaner technologies. China's growing reach As a result of superior growth in the developing world, we are now in a multi-polar growth world, with economic weight shifting from the G7 economies [of seven leading industrialised nations] to developing economies. Continue reading the main story “Start Quote The gradual emergence of the Chinese Renminbi as a global reserve currency... is almost inevitable given the growing relative strength of China ” China's contributions to the multi-polar world are manifold. For high-income countries, China's growth will expand markets for their capital goods and intermediate goods exports. Many developing countries are still major producers of agricultural and natural resource commodities. Chinese consumption and production growth will continue to support adequate commodity prices and thus help these exporters. In addition, the Chinese government and Chinese firms will also provide funds for natural resource and infrastructure investment in emerging markets and low-income countries. This is already happening, and it is likely to continue. In particular, there is a growing role of Chinese finance in the Africa region - the developing region with the most constrained access to finance. Also, as China undergoes industrial upgrading, it will leave space for other developing countries to enter the more labour-intensive industries. Chinese enterprises are expected to relocate their existing production to other lower wage countries as they upgrade to higher value-added industries - just like Japan and East Asian economies did a few decade ago. The difference is that, because of its size, China may become a "leading dragon" for other developing countries instead of a "lead goose" in the traditional flying geese pattern of the international diffusion of industrial development. Over time, there is also the possibility of the gradual emergence of the Chinese Renminbi as a global reserve currency. This is something that would require many fundamental reforms in the Chinese economy; however, it is almost inevitable given the growing relative strength

the multi-polar world.

D. Impact- Economic decline results in global nuclear war. Bearden[[6]](#footnote-6)

History bears out that desperate nations take desperate actions. Prior to the final economic collapse, the stress on nations will have increased the intensity and number of their conflicts, to the point where the arsenals of weapons of mass destruction (**WMD**) **now possessed by** some **25 nations,** are almost certain to be released. As an example, suppose a starving **North Korea** {[7]} **launches** nuclear weapons **upon Japan and South Korea,** including U.S. forces there, in a spasmodic suicidal response. Or suppose a desperate **China** — whose long-range nuclear missiles (some) can reach the United States — **attacks Taiwan**. In addition to immediate responses, the mutual treaties involved in **such** scenarios will quickly draw other nations into the conflict, escalating it significantly. **Strategic nuclear studies have shown** for decades that, under such extreme stress conditions, once a few nukes are launched, adversaries and potential adversaries are then compelled to launch on perception of preparations by one's adversary. The real legacy of the MAD concept is this side of the MAD coin that is almost never discussed. Without effective defense, **the only chance a nation has to survive at all is to launch immediate full-bore pre-emptive strik**es and try to take out its perceived foes as rapidly and massively as possible.As the studies showed, rapid escalation to full WMD exchange occurs. Today, a great percent of the WMD arsenals that will be unleashed, are already on site within the United States itself {[8]}. The resulting great Armageddon will destroy civilization as we know it, **and** perhaps most of **the biosphere**, at least for many decades.

# DA Helpers

## Warming

DA turns case- focus on resource extraction prevents a shift to SNG plants which are net bad for the environment, supercharges warming. Larson[[7]](#footnote-7) ‘13

**The** current **plan** **to address** one of **China’s** pressing **environmental crises**—polluted urban air—**could** have the unintended effect of **creat**ing other **ecological catastrophes in China and beyond.**Northern **China’s** reliance on burning coal for heat and energy contributes to the heavy haze that shrouds city buildings, especially in winter, and shortens the life spans of northerners as compared with their southern counterparts by as much as five years, according to a recent study ([PDF](http://www.pnas.org/content/early/2013/07/03/1300018110.full.pdf+html)) in the *Proceedings of the National Academy of Sciences.*Beijing and other Chinese cities won’t see frequent blue skies until coal burning is dramatically curtailed in adjacent industrial regions. In September, China’s State Council [released](http://www.nytimes.com/2013/09/13/world/asia/china-releases-plan-to-reduce-air-pollution.html) a significant new environmental target: trimming coal’s contribution to overall energy output from 67 percent in 2012 to 65 percent in 2017, even as the country’s economy and energy demand continue to grow.[**STORY: Growing Concerns About Pollution And Public Health In China**](http://www.businessweek.com/articles/2013-09-24/growing-concerns-about-pollution-and-public-health-in-china)Unfortunately, one **scheme to limit coal burning by converting** China’s plentiful **coal supplies into synthetic natural gas** (SNG) **presents a host of** other **ecological worries**. To date, **China’s government has approved** construction of nine large SNG plants in northern and western China, which are projected to generate 37 billion cubic meters of gas each year when completed. At least **30** more **proposed plants** are awaiting approval.None of these planned plants are located near large Chinese cities, so the emissions generated in producing the gas will not hang directly over metropolises. But that doesn’t mean the coal-to-gas conversion process is clean. According to a new study ([PDF](http://people.duke.edu/~cy42/SNG.pdf)) in *Nature Climate Change*, **the entire** life **cycle of harvesting coal and turning it into gas produces** from 36 percent to **82 percent more** total **greenhouse gas emissions than** burning **coal** directly—depending on whether the gas is used to generate electricity or power vehicles.While the most-polluting stages of energy generation could be moved farther from China’s population centers—perhaps allowing for more brighter, cleaner days in Beijing—**the net effect could be to accelerate global climate change, argue the study’s authors,** Chi-Jen Yang and Robert Jackson of the Nicholas School of the Environment **at Duke University.** [**STORY: China and the Third Industrial Revolution**](http://www.businessweek.com/articles/2013-09-26/china-and-the-third-industrial-revolution)Moreover, the scarcely populated hinterland regions earmarked for the SNG plants are dry, while **converting coal to gas is a water-intensive process**. “The water consumption for [synthetic natural gas] production could worsen water shortages in areas already under significant water stress,” write Yang and Jackson. “Overall, **the large-scale deployment of SNG will dramatically increase water use**, [greenhouse gas] emissions, **and** additional **air and water pollution**.

I control the internal link to his warming impacts:

A. Sustained growth causes warming to peak and then decline rapidly---it’s the only way to phase-out emissions-intensive industries and spread low-carbon tech. Montgomery and Bate[[8]](#footnote-8) ‘05

There are several causal routes through which greater economic freedom could lead tolower energy use and emission per dollar of output. Some researchers have concluded that this is achieved by improving economic well-being per se. Others have addressed the question of wealth and GHG emissions by analyzing the relationship between per-capita income and GHG emissions per dollar of output. **Schmalensee et al. (1998) find** that there is a relationship, and that emissions per dollar of output increase until a middle level of per-capita income is reached, and then begin to decline. The “inverted U” pattern often referred to as the environmental Kuznets curve is based on Simon Kuznets’ studies of how demand for various goods changes as income increases. Schmalensee and his colleagues find evidence for an environmental Kuznets curve in the existence of a within-sample peak in carbon dioxide emissions per capita as per-capita income continues to rise over time. Developing countries with low levels of income tend to display accelerating growth of emissions, while developed countries generally have an emissions growth trend that is relatively flat or may even be decreasing. None of these studies included indicators of economic freedom as explanatory variables. The relationship identified by Schmalensee et al. suggests that increasing per-capita income is associated with economic changes that increase energy and emissions intensity in the short run for developing countries. Rising per-capita income thus works in the opposite direction to the relationship found between economic freedom and energy or emissions intensity.

The adoption of technology is also a specific process of supply and demand. Countries that are successful in growing rapidly also benefit from the diffusion of energy production and emission control technology throughout their economies and from the establishment of modern business and production techniques that displace traditional practices and outdated equipment**.** All countries start with a legacy of plant, equipment and infrastructure from pre-market, preindustrial or centrally planned eras. More rapid investment speeds the process of replacing this legacy with more efficient capital equipment. Economic freedom promotes and accelerates all these processes. Market imperfections that hinder investment – particularly foreign direct investment or FDI – discourage outside investors from transferring their best technologies. Imperfections that protect domestic industries from competition likewise frustrate the economic changes that lead to lower energy use and carbon emissions.

B. Kuznets curve theory is true for CO2---means growth’s the only way to slow warming---and decline just causes shifts to cheaper dirty energy. Tierney[[9]](#footnote-9) ‘09

Their equation was I=PAT, which means that environmental impact is equal to population multiplied by affluence multiplied by technology. Protecting the planet seemed to require fewer people, less wealth and simpler technology — the same sort of social transformation and energy revolution that will be advocated at many Earth Day rallies on Wednesday. But among researchers who analyze environmental data, a lot has changed since the 1970s. With the benefit of their hindsight and improved equations, I’ll make a couple of predictions: 1. There will be no green revolution in energy or anything else. No leader or law or treaty will radically change the energy sources for people and industries in the United States or other countries. No recession or depression will make a lasting change in consumers’ passions to use energy, make money and buy new technology — and that, believe it or not, is good news, because. 2. The richer everyone gets, the greener the planet will be in the long run. I realize this second prediction seems hard to believe when you consider the carbon being dumped into the atmosphere today by Americans, and the projections for increasing emissions from India and China as they get richer. Those projections make it easy to assume that affluence and technology inflict more harm on the environment. But while pollution can increase when a country starts industrializing, as people get wealthier they can afford cleaner water and air.They start using sources of energy that are less carbon-intensive — and not just because they’re worried about global warming. The process of “decarbonization” started long before Al Gore was born. The old wealth-is-bad IPAT theory may have made intuitive sense, but it didn’t jibe with the data that has been analyzed since that first Earth Day. By the 1990s**,** researchers realized that graphs of environmental impact didn’t produce a simple upward-sloping line as countries got richer. The line more often rose, flattened out and then reversed so that it sloped downward, forming the shape of a dome or an inverted U — what’s called a Kuznets curve. (See nytimes.com/tierneylab for an example.) In dozens of studies, researchers identified Kuznets curves for a variety of environmental problems. There are exceptions to the trend, especially in countries with inept governments and poor systems of property rights, but in general, richer is eventually greener. As incomes go up, people often focus first on cleaning up their drinking water, and then later on air pollutants like sulfur dioxide. As their wealth grows, people consume more energy, but they move to more efficient and cleaner sources — from wood to coal and oil, and then to natural gas and nuclear power, progressively emitting less carbon per unit of energy. This global decarbonization trend has been proceeding at a remarkably steady rate since 1850, according to Jesse Ausubel of Rockefeller University and Paul Waggoner of the Connecticut Agricultural Experiment Station. “Once you have lots of high-rises filled with computers operating all the time, the energy delivered has to be very clean and compact,” said Mr. Ausubel, the director of the Program for the Human Environment at Rockefeller. “The long-term trend is toward natural gas and nuclear power, or conceivably solar power. If the energy system is left to its own devices, most of the carbon will be out of it by 2060 or 2070.” But what about all the carbon dioxide being spewed out today by Americans commuting to McMansions? Well, it’s true that American suburbanites do emit more greenhouse gases than most other people in the world (although New Yorkers aren’t much different from other affluent urbanites). But the United States and other Western countries seem to be near the top of a Kuznets curve for carbon emissionsand ready tostart the happy downward slope**. The amount of carbon emitted by the average American has remained fairly flat for the past couple of decades, and** per capita carbon emissions have started declining **in some countries, like France. Some researchers estimate that the turning point might come when a country’s per capita income reaches $30,000, but it can vary widely, depending on what fuels are available. Meanwhile,** more carbon is being taken out of the atmosphere by the expanding forests in America and other affluent countries. Deforestation follows a Kuznets curve, too**. In poor countries, forests are cleared to provide fuel and farmland, but** as people gain wealth **and better agricultural technology, the** farm fields start reverting to forestland**.**

# Link Wall

## Latin America

Chinese resource extraction in Latin America is key. Watts[[10]](#footnote-10) ‘13

Amazonian [forest cleared in Ecuador](http://www.guardian.co.uk/world/2013/mar/26/ecuador-chinese-oil-bids-amazon), a mountain [levelled in Peru](http://www.guardian.co.uk/world/2012/dec/20/chinese-mining-peru-corporate-responsibility), the Cerrado savannah converted to soy fields in [Brazil](http://www.theguardian.com/world/brazil) and oil fields under development in Venezuela's Orinoco belt. These recent reports of **environmental degradation in Latin America** may be thousands of miles apart in different countries and for different products, but they **have a common cause**: growing **Chinese demand for regional** [**commodities**](http://www.theguardian.com/business/commodities). The world's most populous nation has joined the ranks of wealthy countries in Europe, North America and east Asia that have long consumed and polluted unsustainably. This has led to what author Michael T Klare calls "**a race for what's left**" and its impact i**s** particularly **evident in the continent with** much of the untapped, **unspoiled natural resources.** Even more than Africa, **Latin America has become a major focus of Beijing**'s drive for commodities. A [study](http://ase.tufts.edu/gdae/Pubs/rp/DP33DusselNov12.pdf) last year by Enrique Dussel Peters, a professor at the National Autonomous University of Mexico, found that **the region has been the leading destination** **for Chinese foreign direct investment** – mostly for raw materials and by big government-run companies such as Chinalco and CNOOC. **Since** the **2008** financial crisis, [**China**](http://www.theguardian.com/world/china) **has** also **become the main lender** **to the region**. In 2010, it provided $37bn (£24bn) in loans – more than the World Bank, Inter-American Bank and the US Import-Export Bank combined. **Most** of this **has gone to** four primary exporters – **Venezuela, Brazil, Argentina and** [**Ecuador**](http://www.theguardian.com/world/ecuador) – for mining or transport infrastructure. **The economic benefits have been enormous. Trade** between China and Latin America was just $10bn in 2000. In 2011, it had surged to $241bn. While the distribution has varied enormously from country to country, this **helped Latin America avoid the worst of** the **financial and economic crises** that gripped much of the developed world **and provided** extra **revenue for poverty alleviation programme**s that have eased the region's notorious inequality. **It** also **played a major part in bolstering** **left-leaning governments** that are seeking an alternative to neo-liberal prescriptions from Washington and Wall Street.**Venezuela and Ecuador**, which **have been unable to access international capital markets** since defaulting, have received hefty loans from China. Argentina is seeking similar treatment. But giving up one kind of dependency can lead to another. **Repayments to China are** **guaranteed by long-term commodity sales**, **which means a commitment to push** ahead with **resource exploitation** – often **with dire consequences for the environment** and indigenous communities. "China is shopping worldwide for natural resources. We're in the midst of a process of commodity accumulation by them. In that context, they lend money to **Ecuador** and the government **pays with oil** through anticipated sales. We have **committed sales** to them up **until 2019**," said Alberto Acosta, who served as energy minister but has since challenged the government of President Rafael Correa. He estimates his country's debts to China at $17bn. The lopsided nature of China-Latin America trade is also questioned because while it is good in terms of GDP quantity, it has not been so beneficial in developmental quality. Commodity suppliers are delighted at the Chinese demand for their exports, but manufacturers complain of a flood of cheap Chinese imports that undermine their competitiveness. The Brazilian president, Dilma Rousseff, wants to change the nature of her country's relationship with China by putting more emphasis on science, technological and educational co-operation as well as soy, iron and oil. This follows signs that Brazil's recent economic growth masks a de-industrialising trend as primary producers account for a rising share of GDP. Mexico, which has fewer commodities to sell but a big domestic market, has made some of the sharpest criticisms of the trend, albeit in private. We do not want to be China's next Africa," Neil Dávila, head of ProMéxico, a foreign trade and investment promotion agency, was quoted as saying in a diplomatic cable released by WikiLeaks. "We need to be owners of our own development." Pollution and heavy resource extraction are not new to Latin America, which has been carved up and exploited since the arrival of Christopher Columbus and Vasco de Gama. Nor are the Chinese state firms necessarily any worse than private western companies (Chevron faces a $19bn lawsuit for its pollution of the Ecuadorean Amazon), but they are an additional source of pressure on a region that already looks strained by the environmental weight of the world.

# 2NR Impact Calculus

A. Probability strong statistical and theoretical foundation Royal[[11]](#footnote-11) ‘10

Less intuitive is how periods of **economic decline** may **increase the likelihood of external conflict**. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defense behavior of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level, **Pollins (2008)** advances **Modelski and Thompson**’s **(1996**) work on leadership cycle theory, **find**ing **that** rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous **shocks** such as economic crises could **usher in a redistribution of** relative **power** (see also **Gilpin, 1981**) that leads to uncertainty about power balances, **increasing** the risk of **miscalculation** (**Fearon 1995**). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflicts as **a rising power may** seek to **challenge a declining power** (**Werner, 1999**). Separately, **Pollins (1996)** also **shows that global economic cycles** combined with parallel leadership cycles **impact the likelihood of conflict** among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remains unknown. Second, on a dyadic level, **Copeland’s (1996**, 2000) **theory of trade expectations** **suggest** that “**future expectation of trade**” **is a significant variable in** understanding economic conditions and **security behavior of states**. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, **if** the **expectations of future trade decline**, particularly for difficult to replace item such as energy resources, the likelihood for **conflict increases**, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states. Third, others have considered the link between economic decline and external armed conflict at a national level. **Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict,** particularly **during periods of economic downturn**. They write, The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favor. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg and Hess, 2002, p. 89) Economic **decline has also been linked with** an increase in the likelihood of **terrorism** (**Blomberg, Hess and Weerapana, 2004**), which has the capacity to spill across borders and lead to external tensions. Furthermore, **crises** generally **reduce the popularity of a sitting government**. “Diversionary theory” suggests that, when facing unpopularity arising from economic decline, sitting **governments have** increased **incentive**s **to fabricate** external military **conflict**s **to create a “rally around the flag” effect**. **Wang (1996), DeRouen (1995) and Blomberg, Hess and Thacker (2006) find supporting evidence** showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states due to the fact the democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. **De DeRouen (2000)** has **provided evidence showing that periods of weak economic performance** in the United States and thus weak Presidential popularity **are statically linked to an increase in the use of force**. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels. This implied connection between integration, crises and armed conflict has not featured prominently in economic-security debate and deserves more attention. This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter. Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such the view presented here should be considered ancillary to those views.

B. Scope- independent of extinction, collapse destabilizes eight countries. Plate[[12]](#footnote-12) ‘03

But imagine a **China** disintegrating -- on its own, without neo-con or CIA prompting, much less outright military invasion -- because the **economy** (against all predictions) **suddenly** **collapses**. That **would** **knock** **Asia into chaos. Refugees** by the gazillions **would head for Indonesia and** other **poorly border-patrolled places, which** don't want them and **can't handle them**; some in **Japan might** lick their chops for World War II Redux and **look to annex a slice of China. That would send** small but successful **Singapore and Malaysia** -- once Japanese colonies -- **into** absolute nervous **breakdowns. India might** make a **grab** for **Tibet,** and while it does, **Pakistan for Kashmir**. Say hello to World War III Asia-style! That's why wise policy encourages Chinese stability, security and economic growth -- the very direction the White House now seems to prefer.

C. Controls the internal link again- definite harm to the environment. Hogan[[13]](#footnote-13)

In the fall of 1983, a group of scientists led by Carl Sagan introduced a new strain of apocalyptic discourse into the freeze debate: the rhetoric of nuclear winter. Simply stated, the theory of nuclear winter held that **even a small exchange** of nuclear weapons—on the order, perhaps, of 500 of the world’s 18,000 nuclear—**would throw so much** dirt, **soot,** and smoke **into the atmosphere that the earth would be plunged into** darkness and subfreezing temperatures, a **“winter” lasting long enough to create** “a real possibility of the **extinction** of the human species” Unlike doomsday scenarios that preceded it, **the theory of nuclear** weapons **winter was based upon “extensive scientific studies**,” and it had been “endorsed by a large number of scientists.”

# Impact Add ON

Chinese economic decline causes political instability and major wars

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Despite China's problems with its food supply, the Chinese do not appear to be in danger of widespread starvation. Nevertheless, one cannot rule out the prospect entirely, especially if the earth's climate actually is getting warmer. The **consequences of** general **famin**e in a country with over a billion people clearly **would be catastrophic**. The effects of oil shortages and industrial stagnation would be less lurid, but economic collapse would endanger China's political stability whether that collapse came with a bang or a whimper. PRC society has become dangerously fractured. As the coastal cities grow richer and more cosmopolitan while the rural inland provinces grow poorer, the political interests of the two regions become ever less compatible. Increasing the prospects for division yet further, Deng Xiaoping's administrative reforms have strengthened regional potentates at the expense of central authority. As Kent Calder observes, In part, this change [erosion of power at the center] is a conscious devolution, initiated by Deng Xiaoping in 1991 to outflank conservative opponents of economic reforms in Beijing nomenclature. But devolution has fed on itself, spurred by the natural desire of local authorities in the affluent and increasingly powerful coastal provinces to appropriate more and more of the fruits of growth to themselves alone. [49] Other social and economic developments deepen the rifts in Chinese society. The one-child policy, for instance, is disrupting traditional family life, with unknowable consequences for Chinese mores and social cohesion. [50] As families resort to abortion or infanticide to ensure that their one child is a son, the population may come to include an unprecedented preponderance of young, single men. If common gender prejudices have any basis in fact, these males are unlikely to be a source of social stability. Under these circumstances, **China is vulnerable to unrest** of many kinds. **Unemployment or** severe hardship, not to mention actual starvation, could easily trigger popular uprisings. Provincial leaders might be tempted to secede, perhaps openly or perhaps by quietly ceasing to obey Beijing's directives. China's leaders, in turn, might adopt drastic measures to forestall such developments. If faced with internal strife, supporters of China's existing regime may return to a more overt form of communist dictatorship. The PRC has, after all, oscillated between experimentation and orthodoxy continually throughout its existence. Spectacular examples include Mao's Hundred Flowers campaign and the return to conventional Marxism-Leninism after the leftist experiments of the Cultural Revolution, but the process continued throughout the 1980s, when the Chinese referred to it as the "fang-shou cycle." (Fang means to loosen one's grip; shou means to tighten it.) [51] If order broke down, the Chinese would not be the only people to suffer. Civil unrest in the PRC would disrupt trade relationships, send refugees flowing across borders, and force outside powers to consider intervention. If different countries chose to intervene on different sides, China's struggle could lead to major war. In a less apocalyptic but still grim scenario, China's government might try to ward off its demise by attacking adjacent countries.

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